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***By Sven Hinrichsen.***

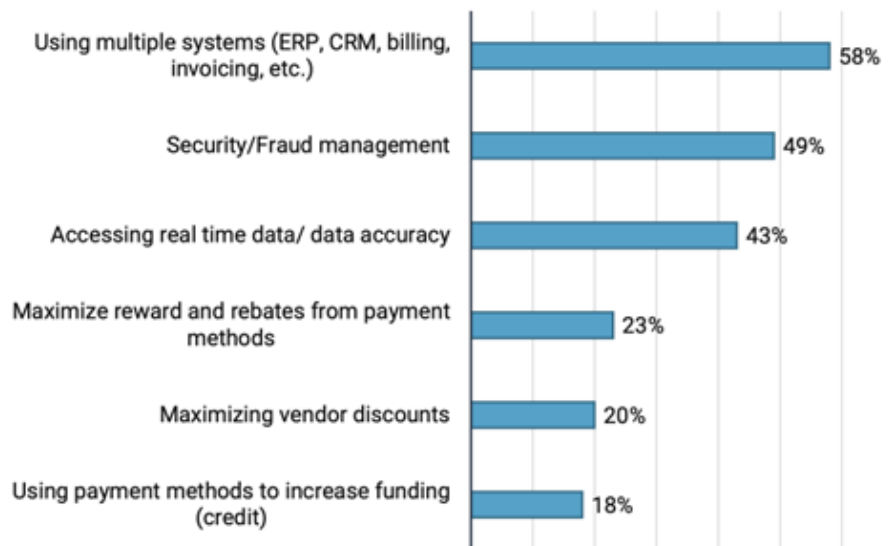
Working with multiple systems, the growing threat of fraud, and the lack of visibility into data are the top three challenges treasury professionals face with business payments. That's according to the Strategic Treasurer 2022 Global Payments Survey of over 230 treasury and payments professionals.

These challenges are not surprising. The pandemic put the push to digitization into overdrive. However, adding more electronic payment types and digital systems creates more workflows and disparate sources of data to an already complex

operation. At the same time, the rise in ACH payments has unleashed a new wave of

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These are still important, but not nearly as important as making sure the day-to-day process of managing payments works smoothly. These findings of the study square with the top challenges we see working with treasury and payments professionals.

### Challenge 1: Using multiple systems

The top challenge, cited by 58% of respondents, is that they're working with multiple systems. That is difficult when systems are not fully integrated, and just 5% of respondents said their ERP system was fully integrated with their banking platforms. Nearly 90% said there was some integration, while 21% said their ERP system is not connected to their banking platforms at all.

What we see is that having systems that are not fully integrated means teams find themselves having to run overlapping processes. They're toggling between systems and exporting data from one system to a spreadsheet and manually uploading it to a different system.

At the same time, they're managing a different workflow for each payment type or

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their systems and processes simply can't keep up with fraudsters' pace of innovation. The fear of an attack is greater because the impact to a smaller company is much bigger.

A larger company with a big balance sheet can weather a fraudulent attack more easily, but it can put a real strain on a smaller company. At Corpay, we have processes in place for helping our clients recover fraudulent payments. A lot of small companies can't afford to lose access to their money for that long.

### **Challenge 3: Accessing real-time, accurate data**

Getting real-time visibility into payments data seems to have risen in importance, with 43% of respondents saying it is a top challenge. This is perhaps a sign of changed expectations in a world that is becoming increasingly digitized. It wasn't that long ago that most vendor payments were made by paper check. In that world, real-time visibility was just a pipe dream.

As the rest of the organization digitizes and decision making becomes more data driven, there's greater demand to provide more timely financial data.

But the challenge isn't confined to slower reporting. Reconciliation takes longer, which means that job costing takes longer. In industries like construction, where costs are passed through to the customer, that means that billing is delayed. That, in turn, creates challenges with cash management.

What's interesting is the extent to which the top three challenges are interrelated. It's hard to deliver timely, accurate data when you're working with multiple systems and there's no standardization. The level of complexity that people are managing creates constant time pressure, giving fraudsters an opening to slip in. Furthermore, delayed data can prevent daily reconciliation, which is one of the best practices for catching and recovering fraudulent transactions.

The linkage between these challenges suggests that the same solution can eliminate

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Outsourcing payment services is a more robust solution, encompassing automation, vendor enablement, and data management within a B2B payment network. Payment service providers also handle time-consuming, back-end issues such as error resolution and escheatment. What we typically see with customers who go the outsourcing route is a 75-80% reduction in time spent on payment processing.

There's a talk track in the profession about turning accounts payable from cost to profit center through increased credit card rebates. The promise of high rebates on spending you're already doing is attractive. But if your processes are still largely manual and you're having to hire extra staff to run the process, that can easily cancel out the gain. And it doesn't position your organization to scale.

The responses to this survey make it clear that the first order of business is to make sure the process actually works in a scalable, reliable manner with the required protection and visibility. Solutions that address vendor payments holistically and simultaneously streamline complex processes, reduce fraud risk, and give you visibility into the status of all your payments. That, in turn, greatly improves your ability to manage working capital, capture discounts, and make more payments via credit card, thereby increasing rebates and helping you meet your cost cutting goals.

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Sven Hinrichsen is SVP of Strategy for [Corpay Payables](#), which enables businesses to spend less through smarter payment methods

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